

Public Chapter 376

HOUSE BILL NO. 1008

By Representative Westmoreland

Substituted for: Senate Bill No. 1081

By Senator Haynes

AN ACT to amend Tennessee Code Annotated, Title 56 and Title 71, relative to insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 2, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section _____. No health insurer, prepaid group health plan, health maintenance organization, preferred provider organization or similar entity licensed under this part that provides or administers health insurance shall require, by contract or otherwise, any Title 63 or 68 licensee to indemnify or hold harmless such Title 56 licensee for tort or patent or copyright infringement liability that such Title 56 licensee incurs, experiences, or causes by act or omission, or by act or omission of the Title 63 or 68 provider to the extent the act or omission was pursuant to a directive of the Title 56 licensee.

SECTION 2. Tennessee Code Annotated Title 71, Chapter 5, Part 1, is amended by adding a new section as follows:

Section _____. No health insurer, prepaid group health plan, health maintenance organization, preferred provider organization or similar entity licensed under this part that provides or administers health insurance under the TennCare Program, shall require, by contract or otherwise, any Title 63 or 68 licensee to indemnify or hold harmless such TennCare managed care organization or Title 56 licensee for tort or patent or copyright infringement liability that such TennCare managed care organization or Title 56 licensee incurs, experiences, or causes by act or omission, or by act or omission of the Title 63 or 68 provider to the extent the act or omission was pursuant to a directive of the Title 56 licensee.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 4. This act shall take effect January 1, 1998, the public welfare requiring it.